



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **SB 407** SLS 10RS 893

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 8, 2010	8:32 AM	<b>Author:</b> MCPHERSON
<b>Dept./Agy.:</b> Motor Vehicles		
<b>Subject:</b> \$15 Fee increase for driver’s record check		<b>Analyst:</b> Evelyn McWilliams

MOTOR VEHICLES OR -\$13,600,000 SG RV See Note Page 1 of 1  
Removes authority for record check fee for Class D and E drivers licenses and requires a refund. (gov sig)

Removes authorization for the department to charge applicants for a Class D chauffeur’s license or a Class E personal vehicle driver’s license record check fee equal to the application for a commercial driver’s license. Requires the department to refund the \$15 fee paid by applicants to the department on and after March 8, 2010. Such refunds should be paid no later than September 1, 2010. Effective upon governor's signature.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	(\$13,600,000)	(\$13,600,000)	(\$13,600,000)	(\$13,600,000)	(\$13,600,000)	(\$68,000,000)
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	(\$13,600,000)	(\$13,600,000)	(\$13,600,000)	(\$13,600,000)	(\$13,600,000)	(\$68,000,000)

EXPENDITURE EXPLANATION

The Office of Motor Vehicles indicates that it will require one time funding of \$156,004 in FY11 to provide for changes to its database, and for expenses required to mail refunds to those drivers charged the \$15 record check fee. Specific expenditures include \$37,528 for computer programming, \$107,100 for postage, and \$11,376 for checks. The agency will have to reprogram its computer system to delete the \$15 fee increase and to identify those driver’s charged the record check fee. The agency estimates that some 300,000 driver’s (75,000 drivers a month) will be refunded the \$15 charge.

The \$15 fee increase is anticipated to generate approximately \$13.6 million annually. All anticipated collections from the \$15 driver’s record check fee collected by the Office of Motor Vehicles is included in the Office of State Police’s FY11 budget. If the Office of State Police is to maintain its current expenditure level, an alternative source of revenue would have to be sought for replacement. State General Fund revenue would be the most likely alternative revenue sought for replacement.

To the extent that an alternative source of funding is unavailable, a decrease in expenditures will be required. Motor Vehicle fees are classified as self-generated revenue and are not tied to any specific expenditures in the Office of State Police, but are instead used for its overall operational costs.

REVENUE EXPLANATION

Deleting the provisions authorizing the Office of Motor Vehicles to impose a record check fee for license holders of Class “D” chauffeurs’ licenses and Class “E” personal vehicle driver’s licenses is anticipated to reduce self-generated revenues by \$13.6 million in FY11, FY12, FY13, FY14, and FY15. Approximately \$4.5 million is anticipated to be generated in FY10, which will be refunded to drivers who paid the \$15 fee increase from March 8, 2010 thru June 30, 2010. Motor Vehicles estimates approximately 300,000 drivers (75,000 a month) will receive a refund. The \$15 fee increase, which was effective March 8, 2010, increased the cost of a personal drivers license from \$21.50 to \$36.50. The \$13.6 million projection is based on the assumption that slightly more than 900,000 personal drivers licenses will be issued or renewed annually.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	 <b>Robert E. Hosse</b> <b>LFO Staff Director</b>
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	